

*Oral Questions*

old age pension from England, and in view of the fact that these pensions are not indexed and in the last six months they have lost the equivalent of \$30 per month in buying power, would the minister tell the House how the negotiations with the United Kingdom on this matter are progressing and what action can be expected to alleviate this situation?

**Hon. Marc Lalonde (Minister of National Health and Welfare):** Mr. Speaker, I have had the opportunity previously of expressing my regret at the refusal of the United Kingdom to adjust those pensions. The discussions are suspended at the present time because of the requirement of the United Kingdom that there be some different arrangements with Canada, which we are not in a position to provide at the present time under the existing legislation.

However, I am pleased to advise the hon. member that in the next few weeks I expect to make a statement announcing re-arrangements in our system so that we can arrive, I hope, at a satisfactory solution, not just for British immigrants, but also for immigrants from other countries in that respect.

**Some hon. Members:** Hear, hear!

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**NATIONAL DEFENCE****LOCKHEED CONTRACT—POSSIBLE GOVERNMENT GUARANTEE OF BANK LOAN AND TABLING OF INDUSTRIAL BENEFIT STUDIES**

**Mr. Stuart Leggatt (New Westminster):** Mr. Speaker, my question is directed to the Minister of National Defence. In answer to an earlier question by the hon. member for Oshawa-Whitby the minister indicated that he and his officials are presently working with Canadian banks with regard to the difficulty in putting up front-end money. Presumably Canadian banks are unwilling to advance money without a federal government loan guarantee. Even if the U.S. loan guarantee board allows the loan to take place, is the minister asking the House to support a loan to Lockheed which Canadian banks are unwilling to undertake? Is he asking the Canadian taxpayer to undertake a risk which Canadian banks are unwilling to take on the Lockheed deal?

**Hon. James Richardson (Minister of National Defence):** No, Mr. Speaker.

**Mr. Leggatt:** That does not completely answer the question.

**Some hon. Members:** Oh, oh!

**Mr. Leggatt:** My question is this: Is there to be no federal guarantee with regard to proposed lending by federal banks?

And in order to prevent a supplementary, with regard to his previous answer concerning industrial benefits, is the minister willing to table the studies which were done with respect to the Lockheed Orion as compared with other proposals such as refitting the Argus in terms of the

[Mr. Parent.]

advantage to the Canadian economy of either proposal, the number of jobs which would be created and the money invested in Canada? Will he table that in the House so that we can examine the assessment which the minister has made in this matter?

● (1440)

**Mr. Richardson:** Mr. Speaker, in reply to the first part of the question, we are not talking about a guarantee of the federal government to the Canadian banks. The arrangement is now being worded out. As I have said, if it can be completed, the details will be announced. I cannot say more about it at this time. Concerning the industrial benefits, I have already indicated that they are very substantial.

**Mr. Leggatt:** The alternative benefits.

**Mr. Richardson:** Again, they will be a matter of complete discussion and will be fully displayed once the contract has been completed. In round figures, we are talking about a guarantee of \$420 million of Canadian industrial benefit. We are talking about structural components being built in Canada for 150 aeroplanes, which in round figures is another \$160 million. That means some \$580 million in industrial benefits. On top of that there is a "best efforts" plan which, if all goes well, could take industrial benefits to Canada up over \$900 million, which is almost as much as the total cost of the contract. All of this will be spelled out once we can get the contract signed and get underway with the project.

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**FINANCE****DATE OF BUDGET—REQUEST FOR COMMITTEE STUDY OF FISCAL OPTIONS OPEN TO CANADA**

**Mr. Sinclair Stevens (York-Simcoe):** My question is for the Minister of Finance, and I have given him notice of it. Will the minister now indicate the date on which he will present his forthcoming budget, and in an effort to remove some of the secrecy which shrouds the government's economic policy, would the minister consider a prebudget reference to the Standing Committee on Finance, Trade and Economic Affairs to allow that committee an opportunity to review the fiscal options open to Canada in this difficult economic period?

**Hon. Donald S. Macdonald (Minister of Finance):** Mr. Speaker, I thank the hon. member for having given me notice of this question. In answer to the first part of the question, I anticipate the budget will be brought down some time in the second half of May. The actual date has not been selected as yet, but it is within that time-frame.

With regard to the suggestion of a prebudget review, I wish to make two suggestions. The first is that the economic review papers will be available at about the end of April, and I suggest that in the context of the work of the Standing Committee on Finance, Trade and Economic Affairs we might have a review of the economic situation in contemplation of the budget in early May.